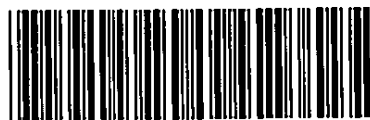


REGISTERED NUMBER 6409008

Spire Property 13 Limited

**Report and Financial Statements
For the year ended 31 December 2009**

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Spire Property 13 Limited

Registered No. 6409008

Report of the directors

For the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

1. Principal activity

The principal activity of the company is the leasing of hospital property

2. Review of the business

The company the Spire Norwich Hospital to Spire Healthcare Limited

At the balance sheet date, the company had net liabilities of £4,364,000 (2008 £2,287,000)

3. Results and dividends

The loss for the period, after taxation, amounted to £2,077,000 (25 October 2007 to 31 December 2008 £3,523,000)

No ordinary dividend has been proposed for the year ended 31 December 2009 (25 October 2007 to 31 December 2008 £nil)

4. Key performance indicators

In view of the straight forward nature of the business, the directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the business

5. Principal risks and uncertainties

The company's activities expose it to a number of risks which are discussed below

Credit risk

Credit risk arises principally from the company's receivables of rent from Spire Healthcare Limited, a fellow group undertaking of Spire Healthcare Limited Partnership, which has leased the hospital property from the company under a lease with a term of up to 35 years, which commenced on 21 December 2007

Interest rate risk

The company is exposed to interest rate risk arising from fluctuations in market rates. This affects the future cost of borrowings. The company has entered into an interest rate swap in order to fix the interest payable on its bank loan. Further information is contained in note 13 of these accounts.

Overall risk management

The company is managed on a group basis and the principal risks and uncertainties facing it are therefore integrated with those facing the Group as a whole. Further information is provided in the Annual Review and Accounts of Spire Healthcare Limited Partnership, which are published on the Spire Healthcare website.

Report of the directors
For the year ended 31 December 2009 - continued

6. Directors

The names of directors who have held office since 1 January 2009 are as follows

R J E Jones	Resigned 24 November 2009
R Roger	
D F Toner	Appointed 26 November 2009
R J Wise	

7. Companies (Audit, Investigations and Community Enterprise) Act 2004

As at the date of this report, indemnities are in force under which the company has agreed to indemnify certain directors, to the extent permitted by law and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company

8. Auditors

The auditors Ernst & Young LLP were the company's auditors during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006

9. Disclosure of Information to Auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Registered Office

120 Holborn
London
EC1N 2TD

28 April 2010

On behalf of the board



D F Toner
Secretary and Director

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spire Property 13 Limited**Registered No. 6409008****Independent auditors' report
to the members of Spire Property 13 Limited**

We have audited the financial statements of Spire Property 13 Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Spire Property 13 Limited
Registered No. 6409008

Independent auditors' report
to the members of Spire Property 13 Limited - continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

David Hales (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
28 April 2010

Spire Property 13 Limited
Registered No. 6409008

Profit and loss account
For the year ended 31 December 2009

		Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
	<i>Note</i>		
Rent receivable		4,056	3,670
Depreciation		<u>(1,177)</u>	<u>(1,315)</u>
Operating profit		2,879	2,355
Interest receivable and similar income	4	2	80
Interest payable and similar charges	5	<u>(5,521)</u>	<u>(5,342)</u>
Loss on ordinary activities before taxation		(2,640)	(2,907)
Tax on loss on ordinary activities	7	<u>563</u>	<u>(616)</u>
Loss for the period		<u>(2,077)</u>	<u>(3,523)</u>

The operating profit is all derived from continuing operations

There were no recognised gains and losses other than the loss for the financial period


The accounting policies and notes form part of these financial statements

Spire Property 13 Limited
Registered No. 6409008

Balance sheet
as at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Fixed assets			
Tangible assets	8	63,526	64,703
Current assets			
Debtors	9	1,018	1,241
Creditors amounts falling due within one year	10	(1,833)	(1,828)
Net current liabilities		(815)	(587)
Total assets less current liabilities		62,711	64,116
Creditors amounts falling due after more than one year	11	(67,022)	(65,549)
Provisions for liabilities and charges	14	(53)	(854)
Net liabilities		(4,364)	(2,287)
Capital and reserves			
Called up share capital	16	1,236	1,236
Profit and loss account	17	(5,600)	(3,523)
Equity shareholders' deficit		(4,364)	(2,287)

These financial statements were approved by the Board of Directors on 28 April 2010 and were signed on its behalf by



R Roger
Director

The accounting policies and notes form part of these financial statements

Notes to the financial statements

For the year ended 31 December 2009

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, under the historical cost accounting convention and on a going concern basis. The directors consider that the external financing facilities in place, together with the anticipated future trading performance of the company, are sufficient to provide funds so that the company can meet its liabilities as they fall due for the foreseeable future. Whilst the company has net current liabilities as at 31 December 2009, this is attributable to items included within creditors falling due within one year, including deferred income and other balances, that are not required to be cash settled.

All accounting policies have been applied consistently during the period.

As described in note 2 the company is a wholly owned subsidiary undertaking of Spire Healthcare Limited Partnership, a limited partnership registered in Guernsey, which publishes consolidated accounts that are publicly available from the Spire Healthcare website. Consequently, the company has

- Pursuant to Financial Reporting Standard 8 - *Related party disclosures*, not included details of transactions with other subsidiary undertakings of Spire Healthcare Limited Partnership
- Pursuant to Financial Reporting Standard 1 - *Cash flow statements*, not prepared a cash flow statement

Rental income

Rent receivable arising on leased properties is accounted for on a straight line basis over the lease term.

Taxation including deferred taxation

The charge for taxation is based on the result for the period and takes into account deferred tax.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exception:

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws.

Notes to the financial statements

For the year ended 31 December 2009

1. Accounting policies - continued

Interest rate swaps

The company's criteria for interest rate swaps are

- the instrument must be related to an asset or a liability, and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa

Premiums paid for derivatives are amortised over the term of the derivative

Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value. If they are terminated early, the gain/ loss is spread over the remaining maturity of the original instrument.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible assets are depreciated so as to write off the cost by equal annual instalments over their lives, as follows:

Freehold buildings	- 5 - 50 years
Fixtures & fittings	- 3 - 10 years

The estimated economic lives of the freehold properties are reviewed annually and revised as appropriate, taking into consideration the levels of expenditure incurred on an ongoing basis to maintain the properties in a fit and proper state for their ongoing use as hospitals.

Spire Property 13 Limited

Registered No. 6409008

Notes to the financial statements

For the year ended 31 December 2009

2. Immediate and ultimate parent undertakings

The immediate parent undertaking of Spire Property 13 Limited is Spire UK Holdco 4 Limited, a company registered in England and Wales which is a subsidiary of Rozier No 1A Limited Partnership, a limited liability partnership registered in Guernsey. The smallest group in which the results of Spire Property 13 Limited are consolidated is headed by Rozier No 1A Limited Partnership. The largest group in which the results of Spire Property 13 Limited are consolidated is headed by Spire Healthcare Limited Partnership, a limited liability partnership registered in Guernsey, which publishes consolidated accounts that are publicly available from the Spire Healthcare website.

The ultimate parent undertakings of Spire Property 13 Limited are Fourth Cinven Fund (No 1) LP, Fourth Cinven Fund (No 2) LP, Fourth Cinven Fund (No 3 - VCOC) LP, Fourth Cinven Fund (No 4) LP, Fourth Cinven Fund (UBTI) LP, Fourth Cinven Fund Co-Investment Partnership and Fourth Cinven (MACIF) LP (together the 'Cinven Funds'), being funds managed and advised by Cinven Limited, a company incorporated under the laws of England and Wales.

Accordingly, the directors consider the company's ultimate controlling party is Cinven Limited, the managers and advisor to the Cinven Funds.

3. Staff costs and directors' remuneration

The company had no employees during the year (25 October 2007 to 31 December 2008 nil) and consequently incurred no staff costs.

The directors are remunerated for their work for the Spire Healthcare Limited Partnership Group, of which the company is a member, in the fellow subsidiary, Spire Healthcare Limited.

Spire Property 13 Limited**Registered No. 6409008****Notes to the financial statements****For the year ended 31 December 2009****4. Interest receivable and similar income**

	Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
Receivable from other Group undertakings	-	80
Other	2	-
	<u>2</u>	<u>80</u>

5. Interest payable and similar charges

	Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
Payable to other Group undertakings	1,145	4,171
Loan interest	4,376	1,171
	<u>5,521</u>	<u>5,342</u>

6. Auditors' remuneration

	Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
Fees for the audit of the company	<u>5</u>	<u>3</u>

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount will be met by other group companies.

Notes to the financial statements
For the year ended 31 December 2009

7. Tax on loss on ordinary activities

	Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
(i) Analysis of tax (credit)/charge in period		
Current tax		
UK corporation tax on losses for the period	-	(238)
Adjustments in respect of prior periods	238	-
	<u>238</u>	<u>(238)</u>
Deferred tax		
Origination and reversal of timing differences	(801)	854
	<u>(563)</u>	<u>616</u>

(ii) Factors affecting the tax charge/(credit)

The tax assessed for the period differs from the weighted standard rate of corporation tax in the UK of 28% (25 October 2007 to 31 December 2008 28.5%). The differences are explained below

	Year ended 31 December 2009 £000	For the period 25 October to 31 December 2008 £000
Loss on ordinary activities before taxation	<u>(2,640)</u>	<u>(2,907)</u>
Applying the loss before tax to the UK corporation tax rate of 28% (25 October 2007 to 31 December 2008 28.5%)	(739)	(828)
Effects of		
Non taxable expenses/(income) not deductible for tax purposes	203	255
Depreciation in excess of capital allowances	44	86
Losses carried forward	364	178
Adjustments in respect of prior periods	238	-
Group relief not paid for	128	71
	<u>238</u>	<u>(238)</u>
Total current tax charge/(credit) for the period	<u>238</u>	<u>(238)</u>

Spire Property 13 Limited
Registered No. 6409008

Notes to the financial statements
For the year ended 31 December 2009

8. Fixed assets

	Freehold land & buildings £000	Fixtures & Fittings £000	Total £000
Cost			
At 1 January and 31 December 2009	65,104	914	66,018
Depreciation			
At 1 January 2009	1,064	251	1,315
Charge for the year	1,065	112	1,177
At 31 December 2009	2,129	363	2,492
Net Book Value			
At 31 December 2009	62,975	551	63,526
At 31 December 2008	64,040	663	64,703

9. Debtors

	2009 £000	2008 £000
Amounts falling due within one year:		
Amounts due from other Group undertakings	1,018	1,003
Group relief receivable	-	238
	<u>1,018</u>	<u>1,241</u>

10. Creditors - amounts falling due within one year :

	2009 £000	2008 £000
Amounts owed to other Group undertakings	839	814
Accruals and deferred income	292	256
Loans (note 12)	<u>702</u>	<u>758</u>
	<u>1,833</u>	<u>1,828</u>

Spire Property 13 Limited**Registered No. 6409008****Notes to the financial statements****For the year ended 31 December 2009****11. Creditors - amounts falling due after more than one year :**

	2009	2008
	£000	£000
Amounts owed to other Group undertakings	10,689	9,543
Accruals and deferred income	1,953	2,246
Loans (note 12)	54,380	53,760
	<u>67,022</u>	<u>65,549</u>

Amounts due to other Group Undertakings are repayable in August 2038 and bear interest at 12%

12. Loans

	2009	2008
	£000	£000
Amounts falling due		
- in one year or less	1,036	1,092
- in more than 5 years	55,638	55,353
	56,674	56,445
Less issue costs not yet amortised	(1,592)	(1,927)
	<u>55,082</u>	<u>54,518</u>

The bank loans are stated net of capitalised arrangement fees, which are being written off over the life of the loan. The fees were initially recognised at a cost of £2,018,000, amortisation of £335,000 (25 October 2007 to 31 December 2008 £91,000) has been charged in the year.

Bank loans and Payment in Kind (PIK) notes

The bank loans and PIK notes are denominated as follows. The rates of interest and final repayment dates are set out below.

	Fixed margin above LIBOR	2009	2008
	%	£000	£000
Tranche A - maturity date 5 October 2014	1.25	32,650	32,543
Tranche B - maturity date 5 October 2014	2.35	18,414	18,352
PIK notes - maturity date 5 October 2014	7.05	4,018	3,623
		<u>55,082</u>	<u>54,518</u>

These loans are secured by a fixed charge over the property held by the company.

Notes to the financial statements
For the year ended 31 December 2009

13. Derivative fair value

The company entered into an interest swap agreement to mitigate the risk of losses through interest rate rises on its variable rate bank loans. The fair value of this swap agreement is as follows

	2009 £000	2008 £000
Interest rate swap liability	<u>8,602</u>	<u>10,746</u>

14. Provisions for liabilities and charges

	Deferred taxation £000
At 1 January 2009	854
Credit in period	<u>(801)</u>
At 31 December 2009	<u>53</u>

15. Deferred taxation

Deferred tax liabilities are analysed as follows

	2009 £000	2008 £000
Accelerated capital allowances	810	854
Trading losses	<u>(757)</u>	<u>-</u>
Deferred tax liability	<u>53</u>	<u>854</u>

The deferred tax provision is included within provisions for liabilities and charges (see note 14)

The company has losses carried forward of £2,703,000 (2008: £626,000) to offset against future trading profits. A deferred tax asset has been recognised in respect of these losses to the extent that they can be offset against the accelerated capital allowances.

Spire Property 13 Limited
Registered No. 6409008

Notes to the financial statements
For the year ended 31 December 2009

16. Share capital

	2009 £000	2008 £000
Authorised		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called-up and fully paid		
1,236,326 ordinary shares of £1 each	<u>1,236</u>	<u>1,236</u>

17. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 25 October 2007	-	-	-
Ordinary shares issued	1,236	-	1,236
Retained loss	-	(3,523)	(3,523)
At 31 December 2008	1,236	(3,523)	(2,287)
Retained loss	-	(2,077)	(2,077)
At 31 December 2009	<u>1,236</u>	<u>(5,600)</u>	<u>(4,364)</u>